

TOWN OF MEDICINE PARK
June 30, 2013

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Medicine Park
Medicine Park, Oklahoma

Trustees of the Medicine Park Public Works Authority
Medicine Park, Oklahoma

Trustees of the Medicine Park Economic Development Authority
Medicine Park, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Comanche County Clerk
Lawton, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Medicine Park and Public Trusts, Medicine Park, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Police Department Fund-Modified Cash Basis, Budgetary Comparison Schedule of Planning and Preservation Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Medicine Park Public Works Authority and Medicine Park Economic Development Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis and budget laws of the State of Oklahoma and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form

of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's change in assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town, Public Works Authority and Economic Development Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Medicine Park is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Medicine Park** as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: Expenditures exceeded total appropriations in five funds. In all other funds appropriations were exceeded at the legal level of control for the year ended June 30, 2013.

- ✚ In the General Fund, the personal service budget was overspent \$20,363. The total budget was not overspent.
- ✚ In the Bath Lake Fund, the personal service budget was overspent by \$9,355. The total budget was not overspent.
- ✚ In the Police Department Fund, the maintenance & operations budget was overspent by \$29,624 and the transfer's budget was overspent \$17,890. The total budget was overspent \$47,514.
- ✚ In the Police P&A Fund, the transfers budget was overspent by \$2,064. The total budget was overspent \$979.

✚ In the Community Center Fund, the maintenance & operations budget was overspent \$3,757. The total budget was overspent \$3,757.

Cause: The Town failed to notice these funds and /or their individual budget categories were overspend and file amendments to the budget during the year.

Criteria: Per State Statute 68, municipalities are not allowed to spend more than its appropriations. Amendments to the beginning of the year appropriations should be filed when the Town knows it will be close or exceed its current budget amounts. The board may also approve transfers between categories within each fund.

Recommendation: The Town should closely monitor each budget on a monthly basis and not approve any expenditure exceeding appropriation until additional amendments or appropriations have been made and approved. The categories of each budgeted fund should be tracked in order to determine the remaining budget balance. Council can approve transfers between budgeted categories for each fund. Budget supplements must also be approved by the County Excise Board.

Management's Corrective Action Plan: The Town changed computer programs at the beginning of the year and does not believe the program is detailed enough to education the board on spending. Management will create more detailed reports to ensure the board is aware of what the financial situation is.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No exceptions were found as a result of applying the procedure.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No exceptions were found as a result of applying the procedure.

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Town has no required reserves, this procedure was not performed.

As to the **Medicine Park Public Works Authority and Economic Development Authority**, as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: The Public Works Authority Operating Fund had a negative fund balance at year end of \$115,623 and a negative Cash balance of \$371.

Cause: The Authority spent more cash than was collected during the year. Additionally, they had no excess reserves to spend since the beginning fund equity was negative.

Criteria: Municipalities are not allowed to create or authorize creation of a deficit in any fund per state statute §11-17-211.

Recommendation: The Authority should closely monitor its revenue and expenses to ensure that expenses do not exceed the revenue or excess carryover in any of its funds during the year.

Management's Corrective Action Plan: Management has determined that expenses from for other funds are being paid from the Public Works Authority and will take action to correct this.

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No exceptions were found as a result of applying the procedure.

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No exceptions were found as a result of applying the procedure.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

6. **Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Authorities have no required reserves, this procedure was not performed.

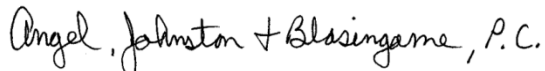
As to the **Town of Medicine Park and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: No exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



Angel, Johnston and Blasingame, P.C.
December 18, 2014

TOWN OF MEDICINE PARK AND PUBLIC TRUST
Medicine Park, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2013
(Unaudited)

		Beginning of Year Fund Balance	Current Year Receipts	Current Year Disbursements	End of Year Fund Balance
TOWN:					
General Fund		\$ 81,663	\$ 431,021	\$ 398,142	\$ 114,542
Street & Alley Fund		2,333	3,458	1,356	4,435
Police Bond Fund		7,661	3,324	3,521	7,463
Police P & A Fund		(266)	5,948	5,183	499
Police Department Fund		(1,245)	61,968	55,335	5,388
Fire Department Fund		4,283	8,484	9,986	2,782
Bath Lake Fund	1	1,694	20,431	10,834	11,291
Planning and Preservation Fund		17,820	11,024	7,919	20,925
Community Center Fund		77	5,975	5,784	268
Town Subtotal		<u>114,019</u>	<u>551,634</u>	<u>498,060</u>	<u>167,593</u>
PUBLIC WORKS AUTHORITY:					
MPPWA Operating Fund		(113,669)	353,449	355,403	(115,623)
Utility Deposit Fund	2	4,575	50	-	4,625
Public Works Subtotal		<u>(109,094)</u>	<u>353,499</u>	<u>355,403</u>	<u>(110,998)</u>
ECONOMIC DEVELOPMENT AUTHORITY:					
Marketing Fund		6,314	77,523	82,055	1,782
Trails Fund		3,163	20	479	2,704
Museum Fund		-	25,000	15,807	9,193
Revolving Fund	2	117,599	2,364	162	119,801
EDA Subtotal		<u>127,076</u>	<u>104,906</u>	<u>98,503</u>	<u>133,479</u>
Overall Totals		<u>\$ 132,001</u>	<u>\$ 1,010,040</u>	<u>\$ 951,966</u>	<u>\$ 190,074</u>

Notes:

1. Name Change for Fund.
2. Adjustment of Beginning Fund Balance.

TOWN OF MEDICINE PARK AND PUBLIC TRUST
Medicine Park, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND

For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 81,663	\$ 81,663	\$ 81,663	\$ -
Charges for Services:				
Permit fees	6,924	6,924	8,283	1,359
Swimming fees	7,387	7,387	-	(7,387)
Total Charges for Services	14,312	14,312	8,283	(6,028)
Intergovernmental-Local:				
Franchise tax	-	-	1,339	1,339
Police fines	47,823	47,823	46,541	(1,282)
Total Intergovernmental-Local	47,823	47,823	47,880	57
Intergovernmental-State:				
Sales tax	291,666	291,666	337,464	45,798
Use tax	1,444	1,444	172	(1,273)
Alcohol beverage tax	901	901	1,045	144
State grants	12,809	12,809	12,808	(1)
Cigarette tax	5,159	5,159	5,135	(24)
Total Intergovernmental-State	311,980	311,980	356,625	44,645
Miscellaneous Revenue:				
Interest	357	357	246	(111)
Rental	2,399	2,399	1,410	(989)
Reimbursement	-	-	480	480
Miscellaneous	-	-	29	29
Total Miscellaneous Revenue	2,755	2,755	2,165	(591)
Non-Revenue Receipts:				
Transfers from other funds	-	-	16,068	16,068
Amounts available for appropriation	458,532	458,532	512,684	54,152
Charges to Appropriations:				
Other:				
Personal Services	205,000	205,000	225,363	(20,363)
Maintenance & Operations	99,532	99,532	73,333	26,199
Capital Outlay	29,200	29,200	-	29,200
Debt Service	-	-	-	-
Total Other	333,732	333,732	298,697	35,036
Other Financing Uses:				
Transfers to other funds	124,800	124,800	99,446	25,354
Total Charges to Appropriations	458,532	458,532	398,142	60,390
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 114,542	\$ 114,542

TOWN OF MEDICINE PARK AND PUBLIC TRUST
Medicine Park, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
POLICE DEPARTMENT FUND
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ (1,245)	\$ (1,245)
Revenues	-	7,820	61,968	54,147
Non-Revenue Receipts:				
Transfers from other funds	-	-	-	-
Amounts available for appropriation	-	7,820	60,722	52,902
Charges to Appropriations:				
Personal Services	-	-	-	-
Maintenance & Operations	-	7,820	37,445	(29,624)
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Other	-	7,820	37,445	(29,624)
Other Financing Uses:				
Transfers to other funds	-	-	17,890	(17,890)
Total Charges to Appropriations	-	7,820	55,335	(47,514)
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 5,388	\$ 5,388

TOWN OF MEDICINE PARK AND PUBLIC TRUST
Medicine Park, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
PLANNING AND PRESERVATION FUND
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 17,820	\$ 17,820	\$ 17,820	\$ -
Revenues	-	9,891	11,024	1,133
Non-Revenue Receipts:				
Transfers from other funds	-	-	-	-
Amounts available for appropriation	17,820	27,711	28,845	1,133
Charges to Appropriations:				
Personal Services	500	4,500	720	3,780
Maintenance & Operations	17,320	23,211	7,199	16,012
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Other	17,820	27,711	7,919	19,792
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	17,820	27,711	7,919	19,792
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 20,925	\$ 20,925

TOWN OF MEDICINE PARK AND PUBLIC TRUSTS
Medicine Park, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
MEDICINE PARK PUBLIC WORKS AUTHORITY
MEDICINE PARK ECONOMIC DEVELOPMENT AUTHORITY
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	MPPWA	MPEDA
Operating Revenues:		
Charges for services:		
Water & Sewer Revenues	\$ 251,910	\$ -
Sales Tax	28,052	28,052
Police Department Payroll Reimbursement	11,598	-
Loan Repayment Late Fees	-	162
Merchandise Sales	-	2,650
Permits	-	6,233
Miscellaneous	392	25,000
Total Operating Revenue	<u>291,952</u>	<u>62,097</u>
Operating Expenses:		
Personal Services	78,090	1,414
Maintenance & Operations	236,218	93,208
Total Operating Expenses	<u>314,308</u>	<u>94,622</u>
Operating Income (Loss)	<u>(22,356)</u>	<u>(32,526)</u>
Non-Operating Revenues (Expenses):		
Donations	-	33,108
Interest income	50	2,202
Interest expense	(5,300)	-
Water Deposits (Net)	3,458	-
Rent	1,030	(720)
Grant revenue	-	7,500
Loans Reissued/Written-Off	-	(115)
Capital outlay	(20,000)	-
Total Non-Operating Revenues (Expenses)	<u>(20,762)</u>	<u>41,975</u>
Net Income (Loss) Before Contributions and Transfers	(43,119)	9,449
Capital contributions	-	-
Transfers in	56,638	-
Transfers out	<u>(15,423)</u>	<u>(3,045)</u>
Changes in Fund Balance	(1,904)	6,404
Fund Balance - beginning	<u>(109,094)</u>	<u>127,076</u>
Fund Balance - ending	<u>\$ (110,998)</u>	<u>\$ 133,479</u>

NOTE:

Medicine Park Economic Development Authority is guarantor of a \$300,000 loan from Comanche County Economic Development Authority to the Medicine Park Museum of Natural Science, Inc.

TOWN OF MEDICINE PARK AND PUBLIC TRUST
Medicine Park, Oklahoma
SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
TOWN:							
Department of Agriculture							
Fire Operations Grant	\$ 4,484	\$ -	\$ -	\$ -	\$ 4,484	\$ 4,484	\$ -
Association of South Central Oklahoma Governments							
REAP-072269	59,200	41,102	41,102	-	-	-	-
REAP-13	45,000	-	-	-	-	-	-
Town Subtotal	<u>108,684</u>	<u>41,102</u>	<u>41,102</u>	<u>-</u>	<u>4,484</u>	<u>4,484</u>	<u>-</u>
PUBLIC WORKS AUTHORITY:							
OK Department of Commerce							
14899 CDBG 11	89,467	22,167	22,167	-	-	-	-
PWA Subtotal	<u>89,467</u>	<u>22,167</u>	<u>22,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ECONOMIC DEVELOPMENT AUTHORITY:							
Oklahoma Arts Council							
Red Dirt Ball Grant - 12	2,500	-	2,500	(2,500)	2,500	-	-
Mayors Blues Ball Grant - 12	2,500	-	-	-	2,500	2,500	-
Park Stomp Grant - 13	2,500	-	-	-	2,500	2,500	-
EDA Subtotal	<u>7,500</u>	<u>-</u>	<u>2,500</u>	<u>(2,500)</u>	<u>7,500</u>	<u>5,000</u>	<u>-</u>
Overall Totals	<u>\$ 205,651</u>	<u>\$ 63,269</u>	<u>\$ 65,769</u>	<u>\$ (2,500)</u>	<u>\$ 11,984</u>	<u>\$ 9,484</u>	<u>\$ -</u>